48. The existence of pre-determined tariff quotas would allow third countries to measure exactly in advance the risks to which they would be subject. It could, indeed, be provided that the importing developed country would impose the tariff quota as soon as imports had reached the ceiling and a third developed country had asked for it being imposed.

(*c*) *Problems common to all tariff-quota systems*

49. After listing the advantages of a tariff-quota system, it may be useful to examine the problems which arise in connexion with it. Some of these problems are common to tariff-quota systems whether they are based on percentages of consumption, production or total imports, while other problems are characteristic either for a system based on a percentage of consumption or production, or for a system based on a percentage of imports. Among the common problems the following can be mentioned.

50. A system based on generalized tariff quotas would require the introduction by developed countries of statistical control and further administrative arrangements. Rules for the utilization of the quotas would have to be set up, and it would be necessary to prevent abuses. To enable the developing countries to gain the advantages of exporting at preferential rates, the importing countries would therefore have to accept some administrative complications. In actual fact these inconveniences would, however, be of rather limited scope. Indeed, in the case of most products, the export capacity of the developing countries as a whole might likely remain far below the quota even if the latter amounted to a relatively small percentage of consumption, production or total imports. Invocation of the quota need therefore not occur before imports come close to this ceiling. And even if the imports attain the amount of the quota, each importing country would be free to decide whether or not to impose the quota; the insitution of the quota could be limited to those cases where a domestic producer or a third developed country would specifically be asking for it. In determining the rules for applying the tariff quotas, the experience of the countries that presently already apply tariff quotas would be very useful.

51. A general tariff quota may be said to limit preferential imports unnecessarily, for it could be applied even in the absence of any injury. The tariff-quota system can thus be regarded as establishing a presumption that in all or most cases there is a risk of injury though in reality it is likely that in most instances no problems for the importing country would arise. Moreover, it has been pointed out that to argue in terms that imports should be limited to a certain share of the market has often been the practice of protectionist elements, and to establish the whole system of preferences on this basis might conceivably give impetus to such elements.

52. It may be argued that the burden-sharing implied in a uniform tariff quota is only apparent. Indeed, the ratio between present imports from developing countries on the one hand and consumption, production and total imports on the other hand vary widely from item to item and from country to country. For some items, present imports at m.f.n. rates into some countries may already exceed the tariff quota while in other countries such imports would still be far below the ceiling. On some items, some developed countries might have to accept additional imports and others none at all. The additional burden represented by the preferential system would, therefore, with respect to some items, fall on some countries and with respect to other items, on other countries. In reply a partial analogy may be drawn by recalling that for aid the developed countries have accepted a uniform target in terms of a percentage of the gross national product. Accordingly, a uniform percentage may be regarded as acceptable with respect to imports from developing countries, for indeed the uniform percentage of the gross national product also involves different *additional* commitments by each developed country.

53. There is the undeniable risk that if a small percentage of consumption, production or total imports is chosen as an upper limit for granting preferential entry, most products presently exported from developing countries may not enjoy the benefits of the new system. In many cases present imports from developing countries would already exceed the tariff quota so that preferences could not help promoting additional imports. It might be considered, however, that this shortcoming would not be such as to reduce intolerably the value of a preferential system for developing countries' industrial exports. It may indeed be argued that the products which have hitherto been exported constitute only a very small share of the items of the tariff nomenclature, and that this would be counter-